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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

50X1-HUM

COUNTRY	East Germany	REPORT	
SUBJECT	Administration of Procurement of Materials and Disposal of Finished Products is to be Returned to the Nationalized Industries	DATE DISTR.	27 October 1953
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[redacted] it had been decided to return gradually to the nationalized industries the power to regulate their own imports and exports.

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2. [redacted] this decision had been reached because the DIAs had failed to obtain the necessary raw materials for the large industrial plants and had been found incapable of selling their finished products. These difficulties were caused by the lack of experienced businessmen and technicians on the staff of the DIAs and the ignorance of the technical requirements and the potentials of the nationalized industries.
3. The inadequacies of the DIAs became apparent to the Russian liaison officers of the former SAG plants which were returned to East Germany about eighteen months ago. These SAGs formerly were not controlled by the DIAs but were subject to separate regulations concerning their requirements and the disposal of their products. When these plants were made VEBs, the DIAs' administration of these activities was not a success. This, of course, became known to the Russians who made alternative suggestions. As a result, the nationalized industries were allowed to administer their own imports and exports.
4. [redacted] although this basic decision has been made, considerable time will be required before it can be translated into practice. Time is necessary for the training of business staffs at the nationalized industries.

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